

(3) Interest accrual at the Term Rate for any Term Rate Period shall begin on (and shall include) the first day of the Term Rate Period and shall end on (but shall not include) the last day of the Term Rate Period.

(4) The Remarketing Agent shall give telephonic notice to the Trustee of the Term Rate so determined, and shall promptly confirm such notice in writing. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Term Rate so determined.

(d) Rate Determination Conclusive. The interest rates determined by the Remarketing Agent as provided in this section shall be conclusive and binding on the Financing Participants.

(e) Bank Rate. Notwithstanding the Interest Rate Mode otherwise in effect when Series 2002-A Warrants are purchased by the Bank pursuant to the Standby Purchase Agreement, Bank Warrants shall bear interest at the Bank Rate. Interest on Bank Warrants is payable to the Bank or (if applicable) to any other Bank Warrantholder (as such term is defined in the Standby Purchase Agreement), notwithstanding any provisions herein regarding the Regular Record Date or Special Record Date. Interest accrual at the Bank Rate shall begin on (and shall include) the date such Series 2002-A Warrant is purchased by the Bank pursuant to the Standby Purchase Agreement and shall end on (but shall not include) the date such Series 2002-A Warrant is remarketed pursuant to Section 2.6 or redeemed in accordance with the provisions hereof.

**Section 2.3 Conversion of Interest Rate Mode.** (a) Automatic Conversion to Variable Rate Mode. The Interest Rate Mode on a Series 2002-A Warrant shall automatically convert to the Variable Rate Mode (i) on the last day of a Term Rate Period, unless the Interest Rate Mode is effectively converted on such date to the Term Rate Mode for an additional Term Rate Period or to the Flexible Rate Mode; (ii) if such Series 2002-A Warrant is a Bank Warrant, on the date such warrant is remarketed, unless the Interest Rate Mode is effectively converted on such date to another Interest Rate Mode; and (iii) on the date proposed for conversion from one Interest Rate Mode to another if the County revokes its election to effect the conversion, as permitted in Section 2.3(e), or the conditions for such conversion are not satisfied.

(b) Optional Conversion to Variable Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from the Flexible Rate Mode to the Variable Rate Mode, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify the Conversion Date and the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested.

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) The Conversion Date must be a Flexible Rate Interest Payment Date.

(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion.

(c) Optional Conversion to Flexible Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from another Interest Rate Mode to the Flexible Rate Mode, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify the Conversion Date and the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested.

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) If the Series 2002-A Warrant is being converted from the Variable Rate Mode, the Conversion Date may be any Business Day. If the Series 2002-A Warrant is being converted from the Term Rate Mode, the Conversion Date must be the last day of the Term Rate Period.

(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion.

(d) Optional Conversion to Term Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from another Interest Rate Mode to the Term Rate Mode, and a new Term Rate Period may be established on the Business Day following the expiration of any existing Term Rate Period with respect to a Series 2002-A Warrant, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify (i) the Conversion Date, (ii) the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested, and (iii) the Term Rate Period (subject to the requirements of Section 2.2(c)).

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) If the Series 2002-A Warrant is being converted from the Variable Rate Mode, the Conversion Date may be any Business Day. If the Series 2002-A Warrant is being converted from the Flexible Rate Mode, the Conversion Date must be a Flexible Rate Interest Payment Date.

(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion and the Substitute Standby Purchase Agreement (if any) that was to be delivered in connection with such conversion.

(e) Revocation of Election. The County may, at its option, revoke its election to convert a Series 2002-A Warrant from one Interest Rate Mode to another Interest Rate Mode by notice delivered to the other Financing Participants before such Series 2002-A Warrant is delivered to its Holder in the new Interest Rate Mode. In addition, if a Series 2002-A Warrant is being converted to the Term Rate Mode, the election to convert shall automatically be deemed revoked if the Remarketing Agent fails to establish the Term Rate or the Trustee and the Tender Agent do not receive confirmation from the Remarketing Agent that such Series 2002-A Warrant has been remarketed in the Term Rate Mode before the close of business on the proposed Conversion Date.

(f) Mandatory Tender Notwithstanding Failed Conversion. If a notice of Mandatory Tender is given by the Tender Agent in connection with a proposed conversion of a Series 2002-A Warrant to a different Interest Rate Mode, such Series 2002-A Warrant shall be subject to a Mandatory Tender on such date notwithstanding the revocation by the County of its election to effect such conversion or the failure to satisfy the conditions for such conversion.

(g) Automatic Conversion to Bank Rate. Notwithstanding any conversion or attempted conversion of a Series 2002-A Warrant pursuant to this section and notwithstanding the Interest Rate Mode otherwise in effect, on the date that any Series 2002-A Warrant is purchased by the Bank pursuant to the Standby Purchase Agreement such Series 2002-A Warrant shall begin to accrue interest at the Bank Rate. If an attempted conversion of the Interest Rate Mode on any Bank Warrant is not successful or if such Bank Warrant is not remarketed on the Conversion Date, such Series 2002-A Warrant shall continue to bear interest at the Bank Rate. When any Series 2002-A Warrant ceases to be a Bank Warrant such Series 2002-A Warrant shall bear interest at the Variable Rate unless such Series 2002-A Warrant is successfully converted on such date to another Interest Rate Mode.

**Section 2.4 Optional Tenders.** (a) The Holder of any Series 2002-A Warrant shall have the right to tender such Series 2002-A Warrant to the Tender Agent for purchase in whole or in part on any Business Day while such Series 2002-A Warrant is in the Variable Rate Mode (but not while such Series 2002-A Warrant is in the Term Rate Mode or the Flexible Rate Mode) at a Purchase Price equal to 100% of the principal amount of the Series 2002-A Warrant (or portion thereof)



tendered plus accrued interest to the specified purchase date (an "Optional Tender Date"). In order to exercise such option with respect to any Series 2002-A Warrant, the Holder thereof must deliver notice thereof to the Tender Agent and the Remarketing Agent, as provided below in this section, at least seven days prior to the proposed Optional Tender Date.

(b) Any such notice of Optional Tender must be duly executed by the Warrantholder and must specify (i) the name of the registered Holder of the Series 2002-A Warrant to be tendered for purchase, (ii) the Optional Tender Date, (iii) the certificate number and principal amount of such Series 2002-A Warrant, and (iv) the principal amount of such Series 2002-A Warrant to be purchased (provided that, if such amount is less than the entire principal amount, both the amount to be purchased and the remaining amount must be in an Authorized Denomination). Such notice may be given to the Tender Agent and the Remarketing Agent in writing or by telephone, but no such telephonic notice shall be effective unless confirmed in writing delivered to the Tender Agent and the Remarketing Agent not more than two Business Days after such telephonic notice. The written notice of Optional Tender shall be substantially as set forth in Exhibit A or in such other form as shall be acceptable to the Tender Agent.

(c) If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Series 2002-A Warrant is being tendered for purchase, the Holder will be deemed to have tendered the Series 2002-A Warrant in its entire principal amount for purchase.

(d) Promptly after receipt of any such telephonic or written notice of Optional Tender, the Tender Agent shall deliver written notice to the Trustee, the Remarketing Agent, the County and the Bank specifying (i) the principal amount and certificate number of the Series 2002-A Warrant for which a notice of Optional Tender has been given and (ii) the proposed Optional Tender Date therefor.

(e) Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Series 2002-A Warrant, the Holder thereof shall have properly exercised the option to have his Series 2002-A Warrant purchased pursuant to this section.

(f) If a written notice of tender shall have been duly given with respect to any Series 2002-A Warrant, the Holder of such Series 2002-A Warrant shall deliver such Series 2002-A Warrant to the Office of the Tender Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Series 2002-A Warrant is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the County shall execute and the Tender Agent shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of

the principal amount of the Series 2002-A Warrant surrendered. Any Series 2002-A Warrant (or portion thereof) that is to be so purchased but that is not so delivered to the Tender Agent (i.e., an Unsurrendered Series 2002-A Warrant) shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

(g) On each Optional Tender Date, the Tender Agent shall pay to the Holder of each Series 2002-A Warrant (or portion thereof) properly tendered for purchase an amount equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the Purchase Price of such Series 2002-A Warrants shall be drawn by the Tender Agent from the Warrant Purchase Fund as provided in Section 5.1 of this Fourth Supplemental Indenture.

(h) If there has been irrevocably deposited in the Warrant Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, such Unsurrendered Series 2002-A Warrant shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Series 2002-A Warrant shall not be entitled to receive interest on such Unsurrendered Series 2002-A Warrant for any period on and after the Optional Tender Date. The Tender Agent shall issue a new Series 2002-A Warrant or Warrants in the same aggregate principal amount for any Unsurrendered Series 2002-A Warrant which is not tendered for purchase on any Optional Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Series 2002-A Warrant from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Series 2002-A Warrant to the Holder thereof and cancel such Unsurrendered Series 2002-A Warrant.

(i) Anything in this Fourth Supplemental Indenture to the contrary notwithstanding, Warrantheolders may not exercise their Optional Tender rights at any time when the obligation of the Bank to purchase Series 2002-A Warrants pursuant to the Standby Purchase Agreement has been suspended or terminated in accordance with the provisions of the Standby Purchase Agreement.

Section 2.5 **Mandatory Tenders.** (a) The Holder of each Series 2002-A Warrant shall be required to tender such Series 2002-A Warrant to the Tender Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"):

- (1) each Conversion Date with respect to such Series 2002-A Warrant;
- (2) the last day of a Term Rate Period with respect to such Series 2002-A Warrant;
- (3) the last day of a Flexible Rate Period with respect to such Series 2002-A Warrant;
- (4) 15 days after the Trustee receives written notice from the Bank (i) stating that the Bank has elected to terminate the Standby Purchase Agreement, upon notice and otherwise in accordance with the provisions of such agreement, as

a consequence of the occurrence under the Standby Purchase Agreement of an Event of Default of a type that provides the Bank with the right to terminate (other than immediately) its purchase commitment under said agreement and (ii) directing that the Series 2002-A Warrants be purchased pursuant to the Mandatory Tender provisions of the Indenture;

(5) on the Business Day immediately preceding any date proposed by the County for delivery of a Substitute Standby Purchase Agreement;

(6) five days prior to the Stated Expiration Date of the Standby Purchase Agreement; and

(7) on the Business Day immediately preceding any date when the County proposes to cancel the Standby Purchase Agreement pursuant to Section 2.11.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day.

(b) No notice is required for a Mandatory Tender on the last day of a Flexible Rate Period or a Mandatory Tender on the last day of a Term Rate Period. Notice of any other Mandatory Tender shall be given by the Trustee by registered or certified mail, mailed to the Holder of each affected Series 2002-A Warrant at such Holder's address appearing on the Warrant Register not less than 12 days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall

(1) specify the Mandatory Tender Date,

(2) state the reason for the Mandatory Tender (that is, the applicable event listed in subsection (a) of this section),

(3) state the amount of such Series 2002-A Warrant subject to Mandatory Tender, and

(4) state that such Series 2002-A Warrant shall be delivered by the Holder thereof to the Office of the Tender Agent on such Mandatory Tender Date, together with all necessary endorsements for transfer, and that such Series 2002-A Warrant (or the portion thereof to be purchased) shall be purchased on such Mandatory Tender Date at a Purchase Price equal to 100% of the principal amount thereof plus accrued interest, if any, and that, if such Series 2002-A Warrant is not so delivered to the Tender Agent, such Series 2002-A Warrant (or the portion thereof to be purchased) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.



(c) Any Series 2002-A Warrant subject to Mandatory Tender shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date by delivering such Series 2002-A Warrant to the Office of the Tender Agent, together with all necessary endorsements for transfer. If only a portion of such Series 2002-A Warrant is to be purchased (as a result of conversion of only a portion of such Series 2002-A Warrant to another Interest Rate Mode), the County shall execute and the Tender Agent shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Series 2002-A Warrant surrendered. Any such Series 2002-A Warrant (or portion thereof) that is to be so purchased but that is not so delivered to the Tender Agent on the Mandatory Tender Date (i.e., an Unsurrendered Series 2002-A Warrant) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

(d) On the Mandatory Tender Date with respect to any Series 2002-A Warrant, the Tender Agent shall pay to the Holder of such Series 2002-A Warrant an amount equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the Purchase Price of such Series 2002-A Warrant shall be drawn by the Tender Agent from the Warrant Purchase Fund as provided in Section 5.1 of this Fourth Supplemental Indenture.

(e) If there has been irrevocably deposited in the Warrant Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, such Unsurrendered Series 2002-A Warrant shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Series 2002-A Warrant shall not be entitled to receive interest on such Unsurrendered Series 2002-A Warrant for any period on and after the relevant Mandatory Tender Date. The Tender Agent shall issue a new Series 2002-A Warrant or Warrants in the same aggregate principal amount for any Unsurrendered Series 2002-A Warrant which is not tendered for purchase on any Mandatory Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Series 2002-A Warrant from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Series 2002-A Warrant to the Holder thereof and cancel such Unsurrendered Series 2002-A Warrant.

(f) After notice of a Mandatory Tender has been given by the Tender Agent with respect to any Series 2002-A Warrant, such Series 2002-A Warrant shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

(g) If the Trustee receives notice that an Insurer Event of Default (as such term is defined in the Standby Purchase Agreement) exists under the Standby Purchase Agreement, or that the Bank is otherwise no longer obligated to purchase Eligible Warrants under the terms of the Standby Purchase Agreement, the Trustee shall promptly notify the Holders of the Series 2002-A Warrants and the other Financing Participants that such notice has been received and that Series 2002-A Warrants tendered for purchase pursuant to the Mandatory Tender provisions of the Indenture will no longer be purchased by the Bank. The Series 2002-A Warrants shall nevertheless be subject to

Mandatory Tender under such circumstances in accordance with this section, but the Purchase Price of Series 2002-A Warrants so tendered will be paid only from remarketing proceeds or funds contributed by the County.

**Section 2.6 Purchase and Remarketing of Series 2002-A Warrants.** (a) The Remarketing Agent will use its best efforts to remarket all Series 2002-A Warrants tendered or deemed to be tendered for purchase pursuant to the Optional or Mandatory Tender provisions hereof, subject to the provisions of subsections (g) and (h) of this section.

(b) Promptly after arranging for the remarketing of any Series 2002-A Warrant, the Remarketing Agent shall give the Tender Agent notice specifying, with respect to the purchaser of such Series 2002-A Warrant, (i) such purchaser's name, address and taxpayer identification number and (ii) the principal amount and denomination of the Series 2002-A Warrant to be purchased. In no event shall any such purchaser of remarketed Series 2002-A Warrants be the County or an Affiliate of the County. The Remarketing Agent shall make appropriate settlement arrangements with the purchaser of such remarketed Series 2002-A Warrant and shall direct such purchaser by appropriate instructions to pay the Purchase Price of such Series 2002-A Warrant to the Tender Agent. The Tender Agent shall deposit the proceeds of any such remarketing in the Warrant Purchase Fund.

(c) On the Tender Date with respect to any Series 2002-A Warrant (or portion thereof) the Tender Agent shall pay the Purchase Price to the Holder of such Series 2002-A Warrant. The Tender Agent shall pay such Purchase Price from money on deposit in the Warrant Purchase Fund; provided that the Tender Agent shall not pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, unless and until the Holder of such Unsurrendered Series 2002-A Warrant presents such Unsurrendered Series 2002-A Warrant to the Tender Agent. Any Series 2002-A Warrant so purchased by the Tender Agent shall be delivered by the Tender Agent in accordance with this section.

(d) The Tender Agent shall hold any Series 2002-A Warrant delivered to it pursuant to the Optional or Mandatory Tender provisions hereof in trust solely for the benefit of the Holder who shall have so delivered such Series 2002-A Warrant until money representing the Purchase Price of such Series 2002-A Warrant shall have been delivered to or for the account of such Holder.

(e) Any Series 2002-A Warrant purchased by the Tender Agent with money advanced under the Standby Purchase Agreement (herein referred to as a "Bank Warrant") shall be held by the Tender Agent for the benefit of the Bank, or shall be delivered to the Bank at the Bank's request, subject to the following terms and conditions:

(1) If such Bank Warrant is remarketed, the Tender Agent delivers the Bank Warrant Sale Price to the Bank and the Bank confirms to the Tender Agent that the Bank's purchase commitment with respect to such warrant under the Standby Purchase Agreement has been reinstated, then such Series 2002-A Warrant shall no



longer be considered a "Bank Warrant" and the Trustee shall register such Series 2002-A Warrant as directed by the Remarketing Agent.

(2) If such Bank Warrant is purchased from the Bank by the County and the Tender Agent receives written confirmation from the Bank that the Bank Warrant Sale Price has been paid to the Bank and that the purchase commitment of the Bank with respect to such warrant under the Standby Purchase Agreement has been reinstated, then such Series 2002-A Warrant shall no longer be considered a "Bank Warrant" and the Trustee shall register and deliver such Series 2002-A Warrant as directed by the County.

(f) Any Series 2002-A Warrant purchased by the Tender Agent with money deposited in the Warrant Purchase Fund by the County shall be registered and delivered by the Trustee as directed by the County.

(g) Notwithstanding any other provision of this Fourth Supplemental Indenture, if any Series 2002-A Warrant is purchased pursuant to the Optional or Mandatory Tender provisions of this Fourth Supplemental Indenture and the Standby Purchase Agreement has expired or terminated (or will expire or terminate within 20 days after such Optional or Mandatory Tender has been effected), such Series 2002-A Warrant may not be sold or remarketed unless either (A) such Series 2002-A Warrant will be subject to a Mandatory Tender, subsequent to the date of such remarketing but prior to the expiration or termination of the Standby Purchase Agreement, and such Series 2002-A Warrant is delivered with a copy of the notice of such Mandatory Tender, or (B) (i) the Trustee and the Tender Agent receive a Favorable Tax Opinion, and (ii) the Trustee, the Tender Agent and the County receive an Opinion of Counsel stating in effect that the remarketing of such Series 2002-A Warrant under such circumstances will not be in violation of any federal or state laws regarding registration of, or other filing in connection with the issuance or sale of, securities.

(h) Notwithstanding any other provision of this Fourth Supplemental Indenture, if the Series 2002-A Warrants are purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4), the Series 2002-A Warrants may not be remarketed unless the Trustee and the Tender Agent receive a Favorable Tax Opinion.

(i) Any Series 2002-A Warrant remarketed that has been called for redemption shall be delivered with a copy of the redemption notice, and any Series 2002-A Warrant remarketed as to which notice of Mandatory Tender has been given shall be delivered with a copy of the notice of Mandatory Tender.

(j) Any Series 2002-A Warrant purchased pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture shall not, by virtue of such purchase, be deemed paid or cancelled, but shall remain outstanding until fully paid.

**Section 2.7 Form of Series 2002-A Warrants.** The Series 2002-A Warrants and the certificate of authentication shall be substantially as set forth in Exhibit B, with such appropriate

insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

**Section 2.8 Execution, Authentication, Delivery and Dating.** (a) The Series 2002-A Warrants shall be executed on behalf of the County by the President of its governing body under its official seal reproduced thereon and attested by the Minute Clerk of its governing body. The signature of any of these officers on the Series 2002-A Warrants may be manual or, to the extent permitted by law, facsimile. Series 2002-A Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the County shall bind the County, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2002-A Warrants or shall not have held such offices at the date of such Series 2002-A Warrants.

(b) At any time and from time to time after the execution and delivery of this Fourth Supplemental Indenture, the County may deliver Series 2002-A Warrants executed by the County to the Trustee for authentication and the Trustee shall authenticate and deliver such Series 2002-A Warrants as in this Fourth Supplemental Indenture provided and not otherwise.

(c) No Series 2002-A Warrant shall be secured by, or be entitled to any lien, right or benefit under, the Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2002-A Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2002-A Warrant shall be conclusive evidence, and the only evidence, that such Series 2002-A Warrant has been duly authenticated and delivered hereunder.

**Section 2.9 Authentication and Delivery of Series 2002-A Warrants to Original Purchasers.** Upon the execution and delivery of this Fourth Supplemental Indenture, Series 2002-A Warrants in the aggregate principal amount authorized in this article may be executed by the County and delivered to the Trustee for authentication, and such Series 2002-A Warrants shall thereupon be authenticated and delivered by the Trustee to the original purchaser or purchasers thereof, upon order executed by an Authorized County Representative.

**Section 2.10 Substitute Standby Purchase Agreement.** (a) The County may at any time and from time to time deliver another agreement (a "Substitute Standby Purchase Agreement") to the Trustee in substitution for the Standby Purchase Agreement then held by the Trustee, provided that

(1) such Substitute Standby Purchase Agreement complies with the applicable conditions set forth in Section 2.10(b);

(2) if Bank Warrants are outstanding on the date of substitution, the Bank certifies that all conditions of the existing Standby Purchase Agreement applicable to its replacement by a Substitute Standby Purchase Agreement have been satisfied;

(3) simultaneously with the delivery of such Substitute Standby Purchase Agreement the County delivers to the Trustee any related documentation required by Section 2.10(c) (the "Related Documentation"); and

(4) the County gives the Trustee, the Tender Agent, the Remarketing Agent and the Bank 30 days' prior notice of such substitution, which notice must specify a Business Day on which such substitution will occur.

(b) Each Substitute Standby Purchase Agreement delivered to the Trustee pursuant to this section must be substantially in the same form and of the same tenor as the initial Standby Purchase Agreement, except as otherwise provided in this section.

(c) Each Substitute Standby Purchase Agreement delivered to the Trustee must be accompanied by the following (herein referred to as the "Related Documentation"), to the extent applicable:

(1) a Favorable Tax Opinion;

(2) so long as the Bond Insurer has not failed to comply with its payment obligations under the Series 2002-A Insurance Policy, the written consent of the Bond Insurer to the delivery of such Substitute Standby Purchase Agreement;

(3) an Opinion of Counsel stating in effect that such Substitute Standby Purchase Agreement is a valid and binding obligation of the County and the substitute Bank;

(4) an Opinion of Counsel acceptable to the Trustee stating in effect that such substitution complies with the applicable provisions of the Indenture; and

(5) with respect to each rating then applicable to the Series 2002-A Warrants, either (A) confirmation from the Rating Agency that issued such rating that such rating will not be withdrawn or revised as a consequence of the delivery of such Substitute Standby Purchase Agreement, or (B) certification from the County to the effect that, upon and after the delivery of such Substitute Standby Purchase Agreement, the Series 2002-A Warrants will not bear such rating and any offering materials pertaining to the Series 2002-A Warrants will reflect the absence of such rating.

(d) Any purchase of Series 2002-A Warrants that, under the terms of the Indenture, is to be made pursuant to the Standby Purchase Agreement on or prior to the effective date of a Substitute Standby Purchase Agreement shall be made under the existing Standby Purchase Agreement. At the close of business on the effective date of any Substitute Standby Purchase Agreement, the Trustee shall return the existing Standby Purchase Agreement to the County and the



Bank obligated under such agreement, provided that any purchases under such existing Standby Purchase Agreement required on or prior to such date have been consummated.

(e) The Stated Expiration Date of any Standby Purchase Agreement may be extended by the Bank by delivery to the Trustee of an amendment or other document (if any) in the form required by such Standby Purchase Agreement. Such an extension shall not require the delivery of the Related Documentation required in connection with a Substitute Standby Purchase Agreement.

**Section 2.11 Cancellation of Standby Purchase Agreement.** (a) The County may cancel any Standby Purchase Agreement then in effect on any date specified by the County upon 30 days' prior notice to the Trustee, the Tender Agent, the Bond Insurer, the Remarketing Agent and the Bank; provided, however, that:

(1) no such cancellation may be effected unless (i) all Series 2002-A Warrants have been converted to a Term Rate for a Term Rate Period extending to their maturity or (ii) the cancellation date is for all Series 2002-A Warrants a Conversion Date, a Flexible Rate Interest Payment Date or the last day of a Term Rate Period;

(2) the County delivers to the Trustee a Favorable Tax Opinion; and

(3) the Trustee shall not cancel the Standby Purchase Agreement unless any purchases under the Standby Purchase Agreement required on or prior to the cancellation date have been consummated.

(b) The Standby Purchase Agreement may not be terminated with respect to only a portion of the Series 2002-A Warrants at the time secured thereby.

### **ARTICLE III**

#### **REDEMPTION OF SERIES 2002-A WARRANTS**

**Section 3.1 When Series 2002-A Warrants Are Subject to Redemption.** The Series 2002-A Warrants may be redeemed prior to Maturity at the option of the County as follows:

(A) On any Interest Payment Date when a Series 2002-A Warrant is in the Variable Rate Mode, on any Flexible Rate Interest Payment Date with respect to a Series 2002-A Warrant, and on any Conversion Date with respect to a Series 2002-A Warrant, such Series 2002-A Warrant may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) Series 2002-A Warrants in the Term Rate Mode are not subject to optional redemption during any Term Rate Period of 5 years or less. During any Term Rate Period of more than 5 years with respect to a Series 2002-A Warrant, such Series 2002-A Warrant may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

**Section 3.2 Election to Redeem; Notice to Trustee.** The election of the County to exercise any right of optional redemption shall be evidenced by notice to the Trustee from an Authorized County Representative. The notice of election to redeem must be received by the Trustee at least 60 days prior to the date fixed for redemption (unless a shorter notice is acceptable to the Trustee) and shall specify (i) the principal amount of Series 2002-A Warrants to be redeemed (if less than all Series 2002-A Warrants outstanding may be redeemed pursuant to such option) and (ii) the redemption date, subject to the provisions of the Indenture with respect to the permitted period for such redemption.

**Section 3.3 Selection by Trustee of Series 2002-A Warrants to be Redeemed.** (a) Subject to the provisions of subsection (b) of this section, if less than all Series 2002-A Warrants are to be redeemed, the particular Series 2002-A Warrants to be redeemed shall be selected by the Trustee not less than 30 nor more than 60 days prior to the redemption date from the outstanding Series 2002-A Warrants then eligible for redemption by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Series 2002-A Warrants in a denomination larger than the smallest Authorized Denomination.

(b) Notwithstanding any other provision of this Fourth Supplemental Indenture, all Bank Warrants eligible for redemption shall be redeemed before any other Series 2002-A Warrants are redeemed.

(c) The Trustee shall promptly notify the County and the Tender Agent of the Series 2002-A Warrants selected for redemption and, in the case of any Series 2002-A Warrant selected for partial redemption, the principal amount thereof to be redeemed.

(d) For all purposes of the Indenture, unless the context otherwise requires, all provisions relating to the redemption of Series 2002-A Warrants shall relate, in the case of any Series 2002-A Warrant redeemed or to be redeemed only in part, to the portion of the principal of such Series 2002-A Warrant which has been or is to be redeemed.

**Section 3.4 Notice of Redemption.** (a) Unless waived by the Holders of all Series 2002-A Warrants then outstanding to be redeemed, notice of redemption shall be given by registered or certified mail, mailed not less than 30 nor more than 60 days prior to the redemption date, to each Holder of Series 2002-A Warrants to be redeemed, at his address appearing in the Warrant Register.

(b) All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) the principal amount of Series 2002-A Warrants to be redeemed, and, if less than all outstanding Series 2002-A Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2002-A Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Series 2002-A Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date,

(5) the place or places where the Series 2002-A Warrants to be redeemed are to be surrendered for payment of the redemption price, and

(6) unless moneys or securities (or a combination thereof) sufficient to provide for the payment in full of the redemption price on the redemption date are then held by the Trustee, a statement to the effect that such redemption is conditioned upon the Trustee's receipt, in a timely manner, of the moneys required to pay the applicable redemption price and that, in the event that such moneys are not so received by the Trustee, such redemption will not occur.

(c) Notice of redemption of Series 2002-A Warrants shall be given by the County or, at the County's request, by the Trustee in the name and at the expense of the County.

**Section 3.5 Deposit of Redemption Price.** On or before the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2002-A Warrants which



are to be redeemed on that date shall be deposited with the Trustee. Such money shall be held in trust in the Debt Service Fund (or in another trust fund established for such purpose) for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

**Section 3.6 Series 2002-A Warrants Payable on Redemption Date.** (a) Notice of redemption having been given as aforesaid, the Series 2002-A Warrants to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Series 2002-A Warrants shall cease to bear interest. Upon surrender of any such Series 2002-A Warrant for redemption in accordance with said notice, such Series 2002-A Warrant shall be paid by the County at the redemption price. Installments of interest due on or prior to the redemption date shall be payable to the Holders of the Series 2002-A Warrants registered as such on the relevant record dates according to the terms of such Series 2002-A Warrants and the provisions of the Indenture.

(b) If any Series 2002-A Warrant called for redemption shall not be paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the Post-Default Rate.

**Section 3.7 Series 2002-A Warrants Redeemed in Part.** Unless otherwise provided herein, any Series 2002-A Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the County shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Series 2002-A Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2002-A Warrant surrendered.

## **ARTICLE IV**

### **APPLICATION OF PROCEEDS**

**Section 4.1 Proceeds From Sale of Series 2002-A Warrants.** The proceeds from the sale of the Series 2002-A Warrants to the original purchaser or purchasers thereof (net of underwriter's discount) shall be applied as follows:

(i) the sum of \$797,037.27 shall be paid to the Bond Insurer as the premium for the Series 2002-A Insurance Policy;

(ii) the sum of \$111,320.00 shall be paid to the Bond Insurer as the premium for the Reserve Policy;

(iii) the amount necessary for payment of the initial fee due under the Standby Purchase Agreement shall be paid to the Bank; and

(iv) the balance shall be deposited in the 2002 Construction Fund.

**Section 4.2 Agreement to Construct 2002 System Improvements.** The County will proceed continuously and with reasonable dispatch with the acquisition, construction and installation of the various System Improvements that constitute part of the County's Sanitary Sewer Capital Improvement Program. The County will complete the acquisition, construction and installation of the 2002 System Improvements, including the acquisition of such real estate (and interests therein) as may be necessary therefor, as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy and similar acts beyond the reasonable control of the County only excepted. The County will promptly pay, as and when due, all expenses incurred in said acquisition, construction and installation.

**Section 4.3 Creation of 2002 Construction Fund; Purposes for Which Moneys Therein May Be Expended.** There is hereby created a special trust fund, the full name of which shall be the "Jefferson County Sewer System 2002 Construction Fund," for the purpose of providing funds for the acquisition, construction and installation of the 2002 System Improvements. The Trustee shall be and remain the depository, custodian and disbursing agent for the 2002 Construction Fund. The moneys in the 2002 Construction Fund shall be paid out from time to time by the Trustee for the following purposes only and only upon presentation of requisitions as described in Section 4.4 hereof:

- (a) payment of Series 2002-A Issuance Costs;
- (b) payment of the reasonable expenses and charges of the Trustee in connection with the 2002 Construction Fund;
- (c) payment for labor, services, materials, supplies and equipment furnished in acquiring, constructing and installing the 2002 System Improvements;
- (d) payment of the costs of acquiring any real estate (including easements and other interests therein) for the construction or installation thereon of any part or parts of the 2002 System Improvements; and
- (e) payment of all expenses (including the fees and expenses of engineers and attorneys and recording fees) incurred in connection with matters referred to in the preceding subsections (c) and (d) of this section.

**Section 4.4 Payments from the 2002 Construction Fund.** All requisitions for disbursements from the 2002 Construction Fund shall be signed by an Authorized County Representative and shall (a) state the amount required to be paid and the name and address of the Person to whom payment is to be made, (b) describe in reasonable detail the particular Improvement Cost or issuance

expense to be paid, and (c) certify that the purpose for which such payment is to be made is a purpose for which 2002 Construction Fund moneys are authorized under the Fourth Supplemental Indenture to be expended.

In addition to the documents required by this section the Trustee may require as a condition precedent to any disbursement further evidence with respect thereto or with respect to the application of any moneys previously disbursed or as to the correctness of any statement made in any requisition. Upon the written request of the Holders of at least ten percent (10%) of the aggregate principal amount of the Parity Securities, the Trustee shall require such evidence. The Trustee shall, however, be under no duty to require such evidence unless so requested. The Trustee shall not be liable for any misapplication of moneys in the 2002 Construction Fund if disbursed pursuant to the provisions of this section and without actual knowledge that such disbursement constituted a misapplication of funds.

**Section 4.5 Security for 2002 Construction Fund Moneys.** The moneys at any time on deposit in the 2002 Construction Fund shall be and at all times remain public funds impressed with a trust for the purposes specified in Section 4.3 hereof. The Trustee shall at all times keep the moneys on deposit in the 2002 Construction Fund continuously secured, for the benefit of the County and the Holders of the Parity Securities, either

(a) by holding on deposit, as collateral security, Federal Obligations, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency, having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in the 2002 Construction Fund, or

(b) if the furnishing of security in the manner provided by the foregoing clause (a) of this section is not permitted by the then applicable law and regulations, then in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of trust funds;

provided, however, that it shall not be necessary for the Trustee so to secure any portion of the moneys on deposit in the 2002 Construction Fund (i) that is invested in Federal Obligations or pursuant to an agreement described in clause (v) of the definition of "Eligible Investments" in the Original Indenture, or (ii) that is insured by the Federal Deposit Insurance Corporation or any agency of the United States of America that may succeed to its functions.

**Section 4.6 Investment of 2002 Construction Fund.** As promptly as practicable following the execution and delivery of this Fourth Supplemental Indenture and from time to time thereafter, the County will furnish to the Trustee a written certificate stating the approximate dates when the moneys on deposit in the 2002 Construction Fund will be needed for the various purposes for which such fund is being created. Promptly after receipt of each such certificate, the Trustee will, at the direction of the County and to the extent practicable, cause the 2002 Construction Fund